

**CHAPTER NO. 983**

**HOUSE BILL NO. 3364**

**By Representatives Head, Rinks, Ronnie Cole, Ralph Cole, Kent, Fitzhugh, McMillan, Maddox, Garrett, Rhinehart**

**Substituted for: Senate Bill No. 3351**

**By Senator Williams**

AN ACT to amend Tennessee Code Annotated, Title 9; Title 13; Title 29; Title 40; Title 54; Title 55; Title 57; Title 59; Title 67 and Title 68, relative to funding state and local government.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 13-23-402(a), is amended by deleting subdivisions (2) and (3) in their entirety.

SECTION 2. Tennessee Code Annotated, Section 29-13-116, is amended by adding the following new subsections:

(c) All expenses to administer the "Criminal Injuries Compensation Act of 1976" shall be paid from the criminal injuries compensation fund.

(d) Notwithstanding any provision of law to the contrary, the State Treasurer is authorized to award a grant from the criminal injuries compensation fund to the district attorneys general conference for domestic violence and drug enforcement program operations in an amount not to exceed that specified in the General Appropriations Act each fiscal year.

SECTION 3. Tennessee Code Annotated, Section 59-1-116, is amended by designating the existing language as subsection (a) and by adding the following language as a new subsection (b):

(b) Notwithstanding the provisions of subsection (a), the Commissioner of Labor and Workforce Development shall increase the amount of the license fees charged under this section to the extent necessary to offset the reduction of the department's appropriation for mine licensing operations under the provisions of the General Appropriations Act for fiscal year 2000-2001.

SECTION 4. Tennessee Code Annotated, Section 67-3-2001, is amended by adding the following new subsection:

(k) Notwithstanding the provisions of Section 54-2-103 or any other law to the contrary, a percentage of funds collected and allocated to the state highway fund shall be deposited in the general fund as follows:

(1) If the statute allocating funds to the state highway fund earmarks two percent (2%) or more of the revenue collected for the general fund, no additional allocation to the general fund shall be made;

(2) If the statute allocating funds to the state highway fund earmarks less than two percent (2%) of the revenue collected for the general fund, an amount equal to the amount necessary when added to

the statutory earmark, if any, equals two percent (2%) of the revenue collected shall be earmarked for the general fund;

(3) The allocation of funds as provided in this subsection shall not have an impact on any scheduled or ongoing construction projects; and

(4) The Department of Transportation shall submit any proposal for apportionment of costs resulting from the general fund allocation in this subsection to the State Building Commission for approval prior to implementing such proposal, including, but not limited to, the programs and projects to be affected and the amount proposed to be allocated to each such program or project. Except as provided in subdivision (3) of this subsection, it is the legislative intent that the effect of this subsection be allocated on a pro rata basis to any affected program or project.

SECTION 5. Tennessee Code Annotated, Section 67-4-409(I), is amended by adding the following new subdivision:

(5) Notwithstanding the provisions of this subsection or any other law to the contrary, for a one (1) year period beginning July 1, 2000, expenditures from the agricultural resources conservation fund may be made in such amounts as are necessary for the purpose of acquiring new equipment for the department. The Commissioner of Agriculture shall determine the amounts necessary for the purchase of such equipment. The authorization to acquire equipment pursuant to this subdivision shall expire June 30, 2001.

SECTION 6. Tennessee Code Annotated, Section 67-4-606, is amended by deleting subdivision (3) in its entirety and by substituting instead:

(3) Forty-three and seventy-one hundredths percent (43.71%) of the proceeds shall be allocated to the general fund.

SECTION 7. Tennessee Code Annotated, Section 67-6-509, is amended by deleting that section in its entirety and by substituting instead the following:

67-6-509 (a) An out-of-state person making sales in Tennessee, who cannot be required to register for sales and use tax under applicable law but who nevertheless voluntarily registers to collect and remit use tax on items of tangible personal property sold to Tennessee customers, shall be allowed, for the purpose of compensating such person in accounting for and remitting the tax, a deduction against taxes due, reported and paid to the department as follows:

(1) Two percent (2%) of the first two thousand five hundred dollars (\$2,500) on each report; and

(2) One and fifteen one-hundredths percent (1.15%) of amounts over two thousand five hundred dollars (\$2,500) on each report.

(b) No deduction from tax shall be allowed if any such report or payment of tax is delinquent.

SECTION 8. Tennessee Code Annotated, Title 9, Chapter 21, is amended by adding the following new part to expire on June 30, 2003:

Part \_\_\_\_.

## HEALTH CARE REVENUE ANTICIPATION NOTES

Section 9-21-\_01. Authorization, security, and retirement of health care revenue anticipation notes.

The governing body of a local government operating a nursing home is authorized to issue health care revenue anticipation notes under this part and part 1 of this chapter for the purpose of providing funds to be transferred to the state pursuant to an approved intergovernmental transfer agreement between the state and the local government. The principal amount of the notes shall not exceed an amount as determined by the State Commissioner of Finance and Administration, as specified in the intergovernmental transfer agreement. The sale of the notes shall first be approved by the state director of local finance. Such notes and any interest thereon shall be secured solely by the payments by the state to the local government pursuant to the intergovernmental transfer agreement, and any payments received from the state by the local government shall immediately be applied to the retirement of any health care revenue anticipation notes issued for such purpose, together with any interest accruing thereon, with any remainder being used in such manner as determined by the governing body of the local government.

Section 9-21-\_02. Terms of health care revenue anticipation notes.

Health care revenue anticipation notes shall be sold at not less than par value and accrued interest. Health care revenue anticipation notes may be sold in one (1) or more series, may bear such date or dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denomination or denominations, may be in such form, either coupon or registered, may be payable at such place or places, may be executed in such manner, may be payable in such medium of payment, may be subject to such terms of redemption, without a premium, all as may be provided by resolution of the governing body of the local government. The notes shall mature no later than thirty (30) days from the date of issuance.

Section 9-21-\_03. Method of sale of health care revenue anticipation notes.

Health care revenue anticipation notes may be sold in such manner either at a competitive public sale or at a private negotiated sale as the governing body of the local government may direct.

Section 9-21-\_04. Interfund loans.

Local governments are hereby authorized to make interfund loans in accordance with procedures for issuance of notes of this part.

SECTION 9. Tennessee Code Annotated, Section 9-21-102, is amended by deleting the phrase "and tax anticipation notes" and substituting instead the phrase "tax anticipation notes, and health care revenue anticipation notes".

SECTION 10. Tennessee Code Annotated, Section 67-4-2109(c)(2), is amended by adding the following new subitem:

(G) If the business enterprise involves a required capital investment of in excess of one billion dollars (\$1,000,000,000) to be invested over a period not to

exceed three (3) years from the date of filing of the first business plan relating to the business enterprise, and creates not less than one thousand (1000) full-time employee jobs with "full progression" or "top out" wages equal to or greater than one hundred fifty percent (150%) of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Labor and Workforce Development for the month of January of the year in which said full-time employee jobs are created, the credit allowed in subdivision (c)(2)(A) shall be five thousand dollars (\$5,000) for each net new full-time job created. For purposes of this subsection, the terms "full progression wage" and "top out wage" are synonymous and mean the wage that an employer assigns to a given job, to be obtained after a worker has completed all required training and experience in that job over an initial period not to exceed three (3) years. For purposes of this subsection, the full-time employee jobs are deemed created when first filled by employees, not when said employees attain "full progression" or "top out" wage status. In addition to the tax credits allowed to the taxpayer under this subsection for the first tax year, all or a portion of the tax credits allowable under this subsection may also apply on an annual basis to offset taxpayer's franchise tax and excise tax liability under Title 67, Chapter 4 of the Tennessee Code Annotated for each tax year after the first tax year up to a total period not to exceed twenty (20) years, in which the full-time employee jobs created by the required capital investment for which credits were originally issued remain filled by employees at wages equal to or greater than 150% of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Employment Security for the month of January of the tax year for which the credit is being taken, provided that the Commissioner of Economic and Community Development, with the written concurrence of the Comptroller, shall have determined that the location and nature of the capital investment is economically desirable and in the best interests of the citizens of this State, and shall have executed a writing specifying, for a given business enterprise, the maximum period for which the additional tax credits granted pursuant to this subsection will be allowed and the amount or percentage of additional tax credits that will be allowed from year to year after the first tax year during the specified maximum period. For purposes of this subsection, a required capital investment shall be deemed to have been made as of the date of payment or the date the business enterprise enters into a legally binding commitment or contract for purchase or construction. The three (3) year period for making the required capital investment and the three (3) year period after completion by a worker of initial training or probationary period provided for herein may be extended by the Commissioner of Economic and Community Development for a reasonable period, not to exceed one (1) year, for good cause shown.

SECTION 11. Tennessee Code Annotated, Section 67-4-2109(c)(2), is amended by adding the following new subitem:

(H) If the business enterprise involves a required capital investment of in excess of five hundred million dollars (\$500,000,000), to be invested over a period not to exceed three (3) years from the filing of the first business plan relating to the business enterprise, and creates not less than one thousand (1000) full-time employee jobs with "full progression" or "top out" wages equal to or greater than one hundred fifty percent (150%) of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Employment Security for the month of January of the year in which said full-time employee jobs are created, the credit allowed in subdivision (c)(2)(A) shall be five thousand dollars (\$5,000) for each net new full-time job created. For purposes of this subsection, the terms

“full progression wage” and “top out wage” are synonymous and mean the wage that an employer assigns to a given job, to be obtained after a worker has completed all required training and experience in that job over an initial period not to exceed three (3) years. For purposes of this subsection, the full-time employee jobs are deemed created when first filled by employees, not when said employees attain “full progression” or “top out” wage status. For purposes of this subsection, a required capital investment shall be deemed to have been made as of the date of payment or the date the business enterprise enters into a legally binding commitment or contract for purchase or construction. The three (3) year period for making the required capital investment and the three (3) year period after completion by a worker of initial training or probationary period provided for herein may be extended by the Commissioner of Economic and Community Development for a reasonable period, not to exceed one (1) year, for good cause shown.

SECTION 12. Tennessee Code Annotated, Section 67-4-2108, is amended as follows:

(1) Subsection 67-4-2108(a)(1) is amended by adding the words “and exempt required capital investments” after the words “excluding exempt inventory”.

(2) Subsection 67-4-2108(a)(6) is amended by adding the following subitem:

( ) “Exempt required capital investments” means two-thirds in value of all capital investments which are the basis for a taxpayer’s entitlement to credits under § 67-4-2109(c)(2)(G) and § 67-4-2109(c)(2)(H).

SECTION 13. Tennessee Code Annotated, Section 67-6-103(a)(3)(B), is amended by adding the following new subdivision:

(a)(3)(B)(v). The collective amounts paid under subdivisions (a)(3)(B)(i) through (a)(3)(B)(iv) of this section shall be limited to the collective amounts paid under such subdivisions for the 1999-2000 fiscal year.


SECTION 14. This act shall take effect July 1, 2000, the public welfare requiring it.

PASSED: June 22, 2000

  
JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

APPROVED this 28<sup>th</sup> day of June 2000

  
DON CONQUIST, GOVERNOR